UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 12, 2025

WEBTOON Entertainment Inc.

(Exact name of Registrant as Specified in Its Charter)

Delaware	**001-42144**	**81-3830533**
(State or Other Jurisdiction of Incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**
5700 Wilshire Blvd. Suite 220 Los Angeles, California		**90036**
(Address of Principal Executive Offices)		**(Zip Code)**

Registrant's Telephone Number, Including Area Code: (323) 424-3795

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Common stock, par value $0.0001 per share	WBTN	Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02 Results of Operations and Financial Condition.

On August 12, 2025, WEBTOON Entertainment Inc. (the "Company") issued a press release and a letter to shareholders (the "Shareholder Letter") announcing its financial results for the second quarter ended June 30, 2025. Copies of the press release and Shareholder Letter are furnished as Exhibit 99.1 and Exhibit 99.2, respectively, to this Current Report on Form 8-K and are incorporated herein by reference.

The information furnished pursuant to Item 2.02 of this Current Report on Form 8-K, including Exhibit 99.2 attached hereto, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any other filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) The following exhibits are being filed herewith:

Exhibit No.	Description
99.1	Press release dated August 12, 2025
99.2	Shareholder Letter dated August 12, 2025
104	Cover Page Interactive Data File (embedded within the inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

WEBTOON Entertainment Inc.

Date: August 12, 2025

By: /s/ David J. Lee

Name: David J. Lee

Title: Chief Financial Officer and Chief Operating Officer

WEBTOON Entertainment Inc. Reports Second Quarter 2025 Financial Results

Delivered Revenue and Adjusted EBITDA above the top end of Guidance Ranges

Second Quarter Revenue Growth of 8.5%; Revenue Growth on a Constant Currency Basis of 5.5%

Net Loss of $3.9 *Million; Adjusted EBITDA of* $9.7 *Million*

Strong Balance Sheet With Cash and Cash Equivalents of Approximately $581.5 *Million and No Debt*

LOS ANGELES, August 12, 2025 (GLOBE NEWSWIRE) -- WEBTOON Entertainment Inc. (Nasdaq: WBTN) ("WEBTOON Entertainment" or "the Company"), a leading global entertainment company and home to some of the world's largest storytelling platforms, today announced results for its second quarter ended June 30, 2025. More information about these results can be found in the Company's shareholder letter on the investor relations section of its website.

Second Quarter 2025 Highlights (vs. Second Quarter 2024)

- Total revenue of $348.3 million increased 8.5%, driven by growth in Paid Content, Advertising and IP Adaptations.
- Revenue on a constant currency basis was $338.7 million, up 5.5%, driven by growth in all three revenue streams.
- Net Loss was $3.9 million, compared to Net Loss of $76.6 million in the prior year, due to lower general & administrative expenses associated with the Company's initial public offering which took place in the prior year quarter.
- Adjusted EBITDA was $9.7 million, compared to Adjusted EBITDA of $20.4 million in the prior year. Adjusted EBITDA margin was 2.8%, compared to 6.3% in the prior year.
- Diluted loss per share was $0.03, compared to diluted loss per share of $0.70 in the prior year.
- Adjusted earnings per share was $0.07, compared to Adjusted earnings per share of $0.18 in the prior year.
- Cash and cash equivalents of approximately $581.5 million plus another $12.1 million of short-term deposits included in Other current assets.

Junkoo Kim, Founder and CEO, said, "We are pleased to report strong second quarter results, with both revenue and Adjusted EBITDA coming in above the top end of our guidance range. Total revenue was up 5.5% on a constant currency basis, with growth in all three revenue streams – Paid Content, Advertising, and IP Adaptations – as we continue to build our leadership position globally."

Kim continued, "WEBTOON Entertainment has become the global destination for comics of all kinds. From exclusive Originals to fan-favorite titles from some of the world's biggest entertainment franchises, our platform offers an unparalleled breadth of content. With recent updates to our English-language webcomic app, we're making it easier than

ever for our users to discover stories they love. We're confident that these investments will help drive deeper engagement and continued growth in readership."

Third Quarter 2025 Outlook

For the third quarter 2025, the Company expects:

- Revenue growth on a constant currency basis in the range of 9.4%-12.2%. This represents revenue in the range of $380-$390 million, based on current FX rates.
- Adjusted EBITDA in the range of $2.0-$7.0 million, representing an Adjusted EBITDA Margin in the range of 0.5%-1.8%.

Strategic Disney Collaboration

The Company also announced in a separate press release today that it is teaming up with Disney to bring iconic comics from Marvel, *Star Wars*, Disney Studios, and 20th Century Studios to WEBTOON Entertainment's mobile vertical-scroll format.

Conference Call & Webcast Details

As previously disclosed, the Company will host a webcast and conference call on August 12, 2025, at 4:30 p.m. Eastern Time, to discuss the Company's financial results for its second quarter ended June 30, 2025.

A live webcast of the conference call will be available online at https://ir.webtoon.com/.

For those unable to listen to the live webcast, an archived version will be available at the same location for up to one year.

About WEBTOON Entertainment Inc.

WEBTOON Entertainment is a leading global entertainment company and home to some of the world's largest storytelling platforms. As the global leader and pioneer of the mobile webcomic format, WEBTOON Entertainment has transformed comics and visual storytelling for fans and creators.

With its CANVAS UGC platform empowering anyone to become a creator, and a growing roster of superstar WEBTOON Originals creators and series, WEBTOON Entertainment's passionate fandoms are the new face of pop culture. WEBTOON Entertainment's adaptations are available on Netflix, Prime Video, Crunchyroll and other screens around the world, and the company's content partners include Discord, HYBE and DC Comics, among many others.

With approximately 155 million monthly active users, WEBTOON Entertainment's IP & Creator Ecosystem of aligned brands and platforms include WEBTOON, Wattpad – the world's leading webnovel platform – WEBTOON Productions, Studio N, Studio LICO, WEBTOON Unscrolled, LINE Manga and eBookJapan, among others.

Forward Looking Statements

This release contains forward-looking statements within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995, and involves risks, assumptions and uncertainties that could cause actual results to differ materially from those expressed or implied by forward-looking statements. Forward-looking statements cover all matters which are not historical facts and include, without limitation, statements or guidance regarding or relating to our future financial position, results of operations and growth, plans and objectives for future capabilities, ability to attract users in both our core and underpenetrated geographies, ability to grow our Paid Content, Advertising and IP Adaptations businesses, the impact of our product development initiatives, including our use of AI, our financial condition and liquidity, and other statements concerning the success of our business and strategies. Forward-looking statements may be identified by the use of words such as "anticipate," "intend," "plan," "goal," "seek," "believe," "project," "estimate," "expect," "strategy," "future," "likely," "may," "should," "will" and similar references to future periods. Forward-looking statements speak only as of the date on which they are made. They are not assurances of future performance and are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Therefore, you should not place undue reliance on any of these forward-looking statements. Although we believe that the forward-looking statements contained in this release

are based on reasonable assumptions, you should be aware that many factors could cause actual results to differ materially from those in such forward-looking statements, including, but not limited to: weakness in the economy, market trends, uncertainty and other conditions in the markets in which we operate, and other geopolitical or macroeconomic factors beyond our control; inability to attract, empower, properly support or incentivize our creators; inability to retain, attract and engage with our users; inability to anticipate, understand and appropriately respond to market trends and changing user preferences; failure to retain or increase our paying users; failure to effectively operate in highly competitive markets; inability to innovate and expand our Advertising business; inability to continue to diversify our monetization strategy or to increase revenues from IP Adaptations; failure to control our content-related costs; exposure to significant legal proceedings and regulatory investigations which may result in significant expenses, fines and reputational damage; failure to provide a safe online environment for children; exposure to claims that we violated third parties' intellectual property rights; failure to obtain, maintain, protect or enforce our proprietary and intellectual property rights; rise of conflicts of interests with NAVER Corporation, our majority stockholder; and other risks and uncertainties set forth under the caption "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2024 filed by the Company with the SEC on March 11, 2025, and in other filings we make with the SEC in the future.

Additionally, forward-looking statements regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Other than in accordance with our legal or regulatory obligations, we undertake no obligations to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Non-GAAP Financial Measures & Definitions

This release contains certain financial information that is not presented in conformity with U.S. GAAP. These non-GAAP measures include Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Earnings Per Share (Adjusted EPS), revenue on a constant currency basis and revenue growth on a constant currency basis.

We believe that these non-GAAP measures provide users of the Company's financial information with additional meaningful information to assist in understanding financial results and assessing the Company's performance from period to period. Management believes these measures are important indicators of operations because they exclude items that may not be indicative of our core operating results and provide a better baseline for analyzing trends in our underlying businesses, and they are consistent with how business performance is planned, reported and assessed internally by management and the board of directors of the Company. Our non-GAAP financial measures should not be considered in isolation, or as substitutes for, financial information prepared in accordance with GAAP. Non-GAAP measures have limitations as they do not reflect all the amounts associated with our results of operations as determined in accordance with GAAP, and should only be used to evaluate our results of operations in conjunction with the corresponding or most directly comparable GAAP measures. We strongly encourage investors and shareholders to review our financial statements and publicly filed reports in their entirety and not to rely on any single financial measure.

A reconciliation is provided at the end of this release for each historical non-GAAP financial measure to the most directly comparable financial measure stated in accordance with U.S. GAAP. We encourage investors and shareholders to review the related U.S. GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable U.S. GAAP financial measures, and not to rely on any single financial measure to evaluate our business. We do not provide a reconciliation of forward-looking non-GAAP financial measures to the most directly comparable U.S. GAAP financial measures on a forward-looking basis because we are unable to predict with reasonable certainty or without unreasonable effort non-recurring items that may arise in the future.

Adjusted EBITDA: We define Adjusted EBITDA as net income (loss), adjusted to remove the impact of interest income, interest expense, income tax expense and depreciation and amortization, with further adjustments to eliminate the effects of loss on equity method investments, effect of applying the valuation method of fair value through profit or loss, impairment of goodwill, non-cash stock-based compensation and certain other non-recurring costs.

Adjusted EBITDA Margin: We define Adjusted EBITDA Margin as Adjusted EBITDA divided by revenue.

Adjusted Earnings Per Share (Adjusted EPS): We define Adjusted Earnings Per Share as Earnings Per Share before interest expense, interest income, income tax expense and depreciation and amortization with further adjustments to eliminate the effects of loss on equity method investments, effect of applying the valuation method of fair value through profit or loss, impairment of goodwill, non-cash stock-based compensation and certain other non-recurring costs. We calculate Adjusted

Earnings Per Share by making the adjustments described herein from Net Income (Loss) and dividing by basic and diluted weighted average shares of common stock outstanding, respectively, for the applicable period.

Revenue on a Constant Currency Basis: We define revenue on a constant currency basis as revenue adjusted to remove the impact of foreign currency rate fluctuations and the impact of deconsolidated and transferred operations. We calculate revenue on a constant currency basis in a given period by applying the average currency exchange rates in the comparable period of the prior year to the local currency revenue in the current period. We calculate revenue on a constant currency basis in each of our revenue streams – Paid Content, Advertising and IP Adaptations – using the same method as laid out herein.

Revenue Growth on a Constant Currency Basis: We define revenue growth on a constant currency basis as period-over-period growth rates of revenue, adjusted to remove the impact of foreign currency rate fluctuations and the impact of deconsolidated and transferred operations. We calculate revenue growth (as a percentage) on a constant currency basis by determining the increase in current period revenue over prior period revenue, where current period foreign currency revenue is translated using prior period average currency exchange rates.

Financial Statements

WEBTOON Entertainment Inc.
Consolidated Balance Sheets
(in thousands of USD, except share and per share data)

	As of	
	June 30, 2025	**December 31, 2024**
Assets		
Current assets:		
Cash and cash equivalents	$ 581,546	$ 572,402
Receivables[1], net of allowance for credit losses of $4,290 and $3,418 at June 30, 2025 and December 31, 2024, respectively	186,783	169,187
Prepaid expenses and other current assets, net[2]	93,689	94,783
Total current assets	**862,018**	**836,372**
Property and equipment, net	5,427	3,782
Operating lease right-of-use assets	26,136	16,649
Debt and equity securities	76,265	70,178
Intangible assets, net	175,989	180,912
Goodwill, net	685,690	665,275
Equity method investments	84,271	78,668
Deferred tax assets	21,483	17,592
Other non-current assets, net[3]	72,480	65,906
Total assets	**$ 2,009,759**	**$ 1,935,334**
Liabilities and equity		
Current liabilities:		
Accounts payable[4]	$ 137,989	$ 127,306
Accrued expenses[5]	66,712	62,209
Current portion of operating lease liabilities[6]	8,976	6,053
Contract liabilities	103,688	85,860
Income tax payables - corporate tax	2,793	10,093
Consumption taxes payables	3,853	8,339
Provisions and defined pension benefits	13,294	11,133
Other current liabilities	2,543	2,231
Total current liabilities	**$ 339,848**	**$ 313,224**
Non-current liabilities:		
Long-term operating lease liabilities[7]	18,734	11,187
Defined severance benefits	23,664	22,030
Deferred tax liabilities	27,999	30,271
Other non-current liabilities	1,557	2,161
Total liabilities	**$ 411,802**	**$ 378,873**
Commitments and Contingencies		
Redeemable non-controlling interest in subsidiary	$ 37,677	$ 36,580
Stockholders' equity:		
Common stock, $0.0001 par value (2,000,000,000 authorized, 130,592,676 shares and 128,587,944 shares issued and outstanding as of June 30, 2025 and December 31, 2024, respectively)	$ 13	$ 13
Additional paid-in capital	2,122,726	2,103,931
Accumulated other comprehensive loss	(78,102)	(124,620)

Accumulated deficit	(533,912)	(507,197)
Total stockholders' equity attributable to WEBTOON Entertainment Inc.	**1,510,725**	**1,472,127**
Non-controlling interests in consolidated subsidiaries	49,555	47,754
Total equity	**1,560,280**	**1,519,881**
Total liabilities, redeemable non-controlling interest, and equity	**$ 2,009,759**	**$ 1,935,334**

1. Includes amounts due from related parties of $60,889 and $59,495 as of June 30, 2025 and December 31, 2024, respectively.
2. Includes amounts due from related parties of $5,753 and $9,258 as of June 30, 2025 and December 31, 2024, respectively.
3. Includes amounts due from related parties of $34,729 and $32,072 as of June 30, 2025 and December 31, 2024, respectively.
4. Includes amounts due from related parties of $17,739 and $17,173 as of June 30, 2025 and December 31, 2024, respectively.
5. Includes amounts due to related parties of $7,001 and $5,562 as of June 30, 2025 and December 31, 2024, respectively.
6. Includes amounts due to related parties of $5,057 and as of $3,506 June 30, 2025 and December 31, 2024, respectively.
7. Includes amounts due to related parties of $7,705 and $9,519 as of June 30, 2025 and December 31, 2024, respectively.

WEBTOON Entertainment Inc.
Consolidated Statements of Operations and Comprehensive Loss
(unaudited)
(in thousands of USD, except share and per share data)

	Three Months Ended		Six Months Ended	
	June 30, 2025	**June 30, 2024**	**June 30, 2025**	**June 30, 2024**
Revenue[1]	$ 348,271	$ 320,972	$ 673,978	$ 647,716
Cost of revenue[2]	(260,992)	(237,915)	(515,088)	(482,300)
Marketing[3]	(31,070)	(23,448)	(62,613)	(42,926)
General and administrative expenses[4]	(64,972)	(138,705)	(131,674)	(187,398)
Operating income (loss)	**(8,763)**	**(79,096)**	**(35,397)**	**(64,908)**
Interest income	4,910	2,043	10,023	3,278
Interest expense	(2)	(11)	(4)	(44)
Income (loss) on equity method investments, net	507	120	(62)	(932)
Other income (loss), net[5]	(1,367)	2,283	1,303	846
Income (loss) before income tax	**(4,715)**	**(74,661)**	**(24,137)**	**(61,760)**
Income tax benefit (expense)	832	(1,907)	(1,715)	(8,575)
Net income (loss)	**$ (3,883)**	**$ (76,568)**	**$ (25,852)**	**$ (70,335)**
Net income (loss) attributable to WEBTOON Entertainment Inc.	(4,326)	(76,885)	(26,715)	(70,693)
Net income (loss) attributable to non-controlling interests and redeemable non-controlling interests	443	317	863	358
Other comprehensive income (loss):				
Foreign currency translation adjustments, net of tax	41,120	(20,486)	47,692	(49,175)
Share of other comprehensive income (loss) of equity method investments, net of tax	$ 568	$ —	$ 425	$ (9)
Total other comprehensive loss, net of tax	**41,688**	**(20,486)**	**48,117**	**(49,184)**
Total comprehensive income (loss)	**$ 37,805**	**$ (97,054)**	**$ 22,265**	**$ (119,519)**
Total comprehensive income (loss) attributable to WEBTOON Entertainment Inc.	$ 35,802	$ (97,371)	$ 19,803	$ (119,877)
Total comprehensive income (loss) attributable to non-controlling interests and redeemable non-controlling interests	2,003	317	2,462	358
Weighted average shares outstanding				
Basic	130,358,706	110,102,868	129,980,922	109,804,009
Diluted	130,358,706	110,102,868	129,980,922	109,804,009
Income (loss) per share attributable to WEBTOON Entertainment Inc.				
Basic	$ (0.03)	$ (0.70)	$ (0.21)	$ (0.64)
Diluted	$ (0.03)	$ (0.70)	$ (0.21)	$ (0.64)

1. Includes amounts earned from related parties of $18,278 and $20,880 for the three months ended June 30, 2025 and June 30, 2024, respectively, and $35,991 and $34,167 for the six months ended June 30, 2025 and June 30, 2024, respectively.
2. Includes amounts incurred from related parties of $28,399 and $31,508 for the three months ended June 30, 2025 and June 30, 2024, respectively, and $56,530 and $40,462 for the six months ended June 30, 2025 and June 30, 2024, respectively.
3. Includes amounts incurred from related parties of $(2,870) and $(1,036) for the three months ended June 30, 2025 and June 30, 2024, respectively, and $(5,451) and $(2,941) for the six months ended June 30, 2025 and June 30, 2024, respectively.
4. Includes amounts incurred from related parties of $7,023 and $7,953 for the three months ended June 30, 2025 and June 30, 2024, respectively, and $13,936 and $14,381 for the six months ended June 30, 2025 and June 30, 2024, respectively.
5. Includes amounts earned from related parties of $424 and $2,885 for the three months ended June 30, 2025 and June 30, 2024, respectively, and $835 and $2,679 for the six months ended June 30, 2025 and June 30, 2024, respectively.

WEBTOON Entertainment Inc.
Consolidated Statements of Cash Flows

(in thousands of USD)

	For the Six Months Ended	
	June 30, 2025	**June 30, 2024**
Operating activities:		
Net Income (Loss)	$ (25,852)	$ (70,335)
Adjustments to reconcile net loss to cash provided by operating activities:		
Allowance for credit losses	894	1,712
Depreciation and amortization	16,844	17,950
Operating lease expense	4,479	5,294
Loss (gain) on foreign currency, net	(3,644)	5,060
Deferred tax expense (benefit)	(5,005)	(7,460)
Loss (gain) on debt and equity securities, net	2,376	(5,143)
Change in severance benefit, net	1,165	(1,630)
Loss (gain) on equity method investments, net	62	932
Contingent consideration liability	—	(3,814)
Stock-based compensation	25,498	57,656
Gain on disposal of right-of-use assets	—	(1,883)
Other non-cash items	(2,336)	159
Changes in operating assets and liabilities		
Changes in receivables	(3,088)	(28,269)
Changes in other assets	(9,545)	(18,486)
Changes in accounts payable	(5,317)	17,957
Changes in accrued expenses	(16,251)	28,996
Changes in contract liabilities	10,286	28,304
Changes in other liabilities	(892)	207
Changes in operating lease liabilities	(3,330)	(4,949)
Transfer of severance benefits	—	—
Other operating activities	705	136
Net cash provided by (used in) operating activities	**$ (12,951)**	**$ 22,394**
Investing activities:		
Proceeds from maturities of short-term investments	32,257	63,299
Proceeds from sale of debt and equity securities	—	2,977
Proceeds from sale of property and equipment	225	—
Purchases of property and equipment	(2,297)	(679)
Purchases of debt and equity securities	(3,790)	—
Proceeds from sale of equity method investments	—	5,927
Payment made for short-term investments	(16,619)	(68,035)
Payment made for loan receivable	(823)	(237)
Purchases of intangible assets	(4,460)	(4,669)
Purchases of equity method investments	—	(5,798)
Acquisitions of businesses, net of cash	(148)	—
Disposal of businesses, net of cash disposed	—	(360)
Other investing activities	1,366	269
Net cash provided by (used in) investing activities	**$ 5,711**	**$ (7,306)**
Financing activities:		

Proceeds from issuance of common stock upon initial public offering, net of underwriting discounts and commissions	—	292,950
Proceeds from issuance of common stock related to private placement	—	50,000
Other financing activities	229	—
Payments of initial public offering costs		(1,898)
Repayments of short-term borrowings	—	(3,647)
Payment of contingent consideration related to business acquisition	—	(1,352)
Net cash provided by (used in) financing activities	**$ 229**	**$ 336,053**
Effect of exchange rate changes on cash and cash equivalents	16,155	(10,581)
Cash and cash equivalents:		
Net increase (decrease) in cash and cash equivalents	9,144	340,560
Cash and cash equivalents at beginning of the year	572,402	231,745
Cash and cash equivalents at end of the year	**$ 581,546**	**$ 572,305**
Supplemental disclosure:		
Income taxes paid	$ 14,298	$ 15,477
Interest paid	1	85
Reclassification of long-term advances to current	49,443	4,922
Increase in right-of-use assets recognized from new lease agreements	12,477	18
Reclassification of deferred offering costs to additional paid-in capital upon IPO	—	11,215
Deferred offering costs not yet paid	—	9,316
Reclassification of debt and equity securities to equity method investments	—	18,256

Reconciliation of Non-GAAP Measures

In addition to adjustments for foreign exchange fluctuations, we have also further adjusted revenue to exclude the impacts of deconsolidated and transferred operations to show growth or loss exclusive of these changes ("Revenue on a Constant Currency Basis"). Revenue on a Constant Currency Basis is a Non-GAAP metric that management believes adds value but has its limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP.

The following table presents a reconciliation of revenue to revenue on a constant currency basis, and ARPPU to ARPPU on a constant currency basis, respectively, for each of the periods presented.

	Three Months Ended June 30,			Six Months Ended June 30,		
(in thousands of USD, except percentages)	**2025**	**2024**	**Change**	**2025**	**2024**	Change
Total Revenue	$ 348,271	$ 320,972	8.5%	$ 673,978	$ 647,716	4.1%
Effect of deconsolidated and transferred operations	-	-	N/A	-	(145)	(100.0)%
Effects of foreign currency rate fluctuations	(9,543)	-	N/A	8,833	-	N/A
Revenue on a Constant Currency Basis	$ 338,728	$ 320,972	5.5%	$ 682,811	$ 647,571	5.4%
Paid Content Revenue	274,913	260,709	5.4%	535,139	527,564	1.4%
Effect of deconsolidated and transferred operations	-	-	N/A	-	(120)	(100.0)%
Effects of foreign currency rate fluctuations	(9,003)	-	N/A	5,020	-	N/A
Paid Content Revenue on a Constant Currency Basis	$ 265,910	$ 260,709	2.0%	$ 540,159	$ 527,444	2.4%
Advertising Revenue	45,220	40,419	11.9%	85,118	77,415	9.9%
Effects of foreign currency rate fluctuations	(694)	-	N/A	1,516	-	N/A
Advertising Revenue on a Constant Currency Basis	$ 44,526	$ 40,419	10.2%	$ 86,634	$ 77,415	11.9%
IP Adaptations Revenue	28,138	19,844	41.8%	53,721	42,737	25.7%
Effect of deconsolidated and transferred operations	-	-	N/A	-	(25)	(100.0)%
Effects of foreign currency rate fluctuations	153	-	N/A	2,297	-	N/A
IP Adaptations Revenue on a Constant Currency Basis	$ 28,291	$ 19,844	42.6%	$ 56,017	$ 42,712	31.2%
Paid Content Average Revenue Per Paying User ("ARPPU")[1]						
Korea paid content revenue	**$ 80,645**	**$ 83,939**	(3.9)%	**$ 157,671**	**$ 174,881**	(9.8)%
Korea ARPPU	$ 7.9	$ 7.5	5.0%	$ 7.7	$ 7.7	(0.3)%
Effects of foreign currency rate fluctuations	0.2	-	N/A	0.6	-	N/A
Korea ARPPU on a Constant Currency Basis	$ 8.1	$ 7.5	8.3%	$ 8.3	$ 7.7	7.5%
Japan paid content revenue	**$ 161,076**	**$ 142,257**	13.2%	**$ 311,477**	**$ 284,465**	9.5%
Japan ARPPU	$ 23.7	$ 21.2	11.8%	$ 23.0	$ 21.7	6.1%
Effects of foreign currency rate fluctuations	(1.7)	-	N/A	(0.5)	-	N/A
Japan ARPPU on a Constant Currency Basis	$ 22.0	$ 21.2	3.8%	$ 22.5	$ 21.7	3.7%
Rest of World paid content revenue	**$ 33,193**	**$ 34,514**	(3.8)%	**$ 65,991**	**$ 68,218**	(3.3)%
Rest of World ARPPU	$ 6.6	$ 6.5	2.2%	$ 6.5	$ 6.4	2.8%
Rest of World ARPPU on a Constant Currency Basis	$ 6.6	$ 6.5	2.2%	$ 6.5	$ 6.4	2.8%

[1] ARPPU is calculated by taking Paid Content revenue and dividing it by the number of monthly paid users ("MPU") for such month, averaged over each month in the given period. ARPPU on a constant currency basis is calculated by dividing Paid Content revenue on a constant currency basis by the number of MPU for such month, averaged over each month in the given period. Where each metric is country specific, the numerator is Paid Content revenue on a constant currency basis by country and the denominator is users by country.

The following table presents a reconciliation of net loss to EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin for each of the periods presented.

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands of USD, except percentages)	**2025**	**2024**	**2025**	**2024**
Net income (loss)	$ (3,883)	$ (76,568)	$ (25,852)	$ (70,335)
Plus (minus):				
Interest income	(4,910)	(2,043)	(10,023)	(3,278)
Interest expense	2	11	4	44
Income tax expense (benefit)	(832)	1,907	1,715	8,575
Depreciation and amortization	8,407	8,915	16,844	17,950
EBITDA	$ (1,216)	$ (67,778)	$ (17,312)	$ (47,044)
Stock-based compensation expense[1]	8,463	53,817	25,498	56,043
Restructuring and IPO-related costs[2]	1,476	36,204	3,118	37,720
Loss (gain) on fair value instruments, net[3]	1,446	(1,772)	2,376	(5,143)
Loss (income) on equity method investments, net[4]	(507)	(120)	62	932
Adjusted EBITDA[5]	$ 9,662	$ 20,351	$ 13,742	$ 42,508
Net income (loss) margin	(1.1)%	(23.9)%	(3.8)%	(10.9)%
Adjusted EBITDA Margin	2.8 %	6.3 %	2.0 %	6.6 %
Weighted average shares outstanding				
Basic	130,358,706	110,102,868	129,980,922	109,804,009
Diluted	130,358,706	110,102,868	129,980,922	109,804,009
Earnings (loss) per share				
Basic	(0.03)	(0.70)	$ (0.21)	$ (0.64)
Diluted	(0.03)	(0.70)	$ (0.21)	$ (0.64)
Adjusted EPS[6]				
Basic	0.07	0.18	$ 0.11	$ 0.39
Diluted	0.07	0.18	0.11	0.39

(1) Represents stock-based compensation expense related to WEBTOON's equity incentive plan and stock-based compensation plans of NAVER and Munpia, including amounts which are cash settled.
(2) Represents non-recurring expenses that we do not consider representative of the operating performance of the business. For the three and six months ended June 30, 2025, these amounts include legal fees and advisory fees. For the three and six months ended June 30, 2024, these amounts included a $30.0 million one-time CEO bonus and legal and advisory fees related to the IPO.
(3) Represents unrealized net loss (gain) of financial assets measured at FVPL, which include the Company's equity investments.
(4) Represents our proportionate share of recognized losses associated with our investments accounted for using the equity method.
(5) Totals may not foot due to rounding.
(6) The numerator for Adjusted EPS is calculated by adjusting Net Income (Loss) by the same items in the Net Income (Loss) to Adjusted EBITDA reconciliation. The denominator for computing Adjusted EPS is the same as that used for Basic and Diluted EPS.

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WEBTOON Entertainment

Shareholder Letter



NASDAQ: WBTN

Q2 2025

Q2 2025
August 12, 2025



Dear Fellow Shareholders,

We are pleased to report strong Q2 results, with both revenue and Adjusted EBITDA coming in above the top end of our guidance ranges. Total revenue of $348.3 million was up 8.5% year-over-year, or 5.5% on a constant currency basis, consistent with 5.3% constant currency revenue growth in Q1. Total revenue growth was driven by expansion across all of our revenue streams. Paid Content revenue increased 2.0%, Advertising revenue grew 10.2%, while IP Adaptations revenue jumped 42.6%, all on a constant currency basis. We are pleased to show meaningful progress on all of our business initiatives this quarter as we continue to innovate across the organization and build on our global leadership position.

Net loss was $3.9 million in the quarter, compared to a net loss of $76.6 million in the year prior, due to lower general & administrative expenses associated with the Company's initial public offering which took place in the prior year quarter. Our Adjusted EBITDA was $9.7 million in Q2, bringing our first half total to $13.8 million.

English Webcomic App Updates Driving Early Signs of Increased User Activity

As we discussed last quarter, we are making significant updates to drive additional user activity on our English-language webcomic platform. We implemented a number of product updates in May and June to enhance the user experience and make it easier for our readers to find new titles to fall in love with. Our revamped Home Tab has been fully rolled out after extensive A/B testing, with our users now experiencing a more personalized journey. Starting from our new onboarding process to better understand user preferences, through our personalized home page, search function, and "New & Hot" video discovery feature, we are making it easier to find and enjoy new stories.

While it is still early days with these product updates, our English-language platform posted increased user activity, with English platform webcomic app MAU increasing 19% for the second consecutive quarter. As we enter Q3, we continue to focus on innovation — launching new ways for audiences to experience our original titles beyond the traditional scroll. We believe we have made good progress in new formats, designed to deepen engagement and bring our stories to life in new dimensions.

Collaborating with Disney to Bring Beloved Franchise Universes to Our Best-In-Class Digital Platform

The Walt Disney Company needs no introduction. The Disney, Marvel, 20th Century, and *Star Wars* brands are among the most legendary, creative, and successful in the industry.

Fans will soon be able to experience some of the world's most epic comics like never before. In a major move that blends iconic storytelling with cutting-edge digital formats, WEBTOON and Disney are teaming up to bring iconic comics from Disney, Marvel, 20th Century Studios and *Star Wars* to WEBTOON's mobile vertical-scroll format, making it easier for fans all over the world to experience their favorite stories anytime, anywhere. WEBTOON Entertainment and Disney will bring around 100 blockbuster comics to WEBTOON, starting with an all-new dedicated section on the global English-language app.



In addition to reformatted comics, brand-new original webcomic series from the Disney, Marvel, 20th Century Studios, and *Star Wars* brands are also in development for WEBTOON's global platform. These original webcomic series will introduce new adventures for beloved characters, from super hero epics to galaxy-spanning adventures, giving fans more of what they love, delivered directly to their mobile devices.

WEBTOON Entertainment will bring around 100 blockbuster comics across the Disney, Marvel, 20th Century Studios, and *Star Wars* brands to WEBTOON's global platform. Fans will first be able to enjoy: Amazing Spider-Man (2022-present), Avengers (2012), Star Wars (2015), and Disney As Old As Time: A Twisted Tale.

We are thrilled to kick off this collaboration with iconic series from their comic book catalog — and this is just the start! Together, we are bringing this legendary storytelling to a new generation of mobile-native comic fans, while giving existing fans a new way to experience series and characters they love.

Reformat Launches Bringing New Users and Driving Revenue

Our collaboration with Disney is just the latest example of how WEBTOON has become a global destination for comics of all kinds. While we started with titles created originally from Korea and Japan, we now feature a growing library of original titles from the U.S., cementing our role as a home for diverse storytelling worldwide. With the addition of reformatted comics from major U.S. publishers, we're expanding our library and audience even further, offering a broader mix of non-exclusive content across genres and styles. For comic publishers, one of our greatest strengths is our audience: a mobile-first generation of Gen Z and Millennial readers. As these publishers look to grow and diversify their readership, WEBTOON offers a direct connection to the next generation of fans.

Last quarter, we shared plans to launch a large number of reformatted works, bringing major household names to WEBTOON.

We started with the IDW Publishing partnership in April, bringing well-known franchises like "Godzilla: Unnatural Disasters" and "Sonic the Hedgehog" to our platform. While we were pleased with the level of interest in each of these renown titles, "Beneath the Trees Where Nobody Sees" turned out to be the most successful title on our platform this quarter. Not only did we see significant revenue associated with "Beneath the Trees," we believe that it also brought many new users onto our platform.

We also launched two popular Japanese manga titles on our platform during Q2. Digital adaptations of "Fullmetal Alchemist" and "From Old Country Bumpkin to Master Swordsman" have attracted millions of views. Mobile devices are now where many people consume most of their content, so this is also a natural transition for manga to move from print to digital. "From Old Country Bumpkin to Master Swordsman" achieved immediate success. It was released in Korea and Japan on April 5, 2025 to coincide with the release of the anime adaptation debut, and in North America on May 2, 2025 where it hit #1 in daily revenue on the day of the launch. The story has sustained its global momentum, remaining in the Top 10 for number of views on both our Korean and English-language platforms. We have been particularly pleased by the strong reception in North America, which supports our belief that we can bring significant international audiences to reformatted manga titles.



Cyberpunk 2077



The Legend of Korra

In June, we announced an expanded partnership with Dark Horse Comics to bring popular franchises like "Cyberpunk 2077," "Critical Role: The Mighty Nein Origins," "The Witcher," new tales of Nickelodeon's "Plants vs. Zombies™," and "The Legend of Korra" to our English-language platform. These titles are scheduled to roll out throughout the second half of 2025, expanding on our existing collaboration which successfully brought Nickelodeon's "Avatar: The Last Airbender" to the platform — already amassing over 14 million views.

We believe reformatted titles are attracting new users to our platform as well as generating revenue, and we continue to learn more about the types of content that work best on our platform with each subsequent release. By partnering with some of the biggest publishers in the world, we can diversify our content sources while further elevating WEBTOON's reputation and visibility in the market.

Continued Success in IP Adaptations

We believe the global demand for our stories will continue to grow as we remain focused on launching a rising number of successful IP adaptations across multiple formats and markets.

We're particularly excited about our upcoming animation launches, as global demand for animation — especially Japanese-style anime — continues to rise. Netflix recently shared that more than 50% of their members now watch anime. Other streamers like Crunchyroll, Disney+, and Prime Video are also investing heavily to expand their anime libraries. Around the world, consumer and streamer demand for anime is growing, with 3 in 10 global consumers watching anime at least once a week, according to a new Dentsu report.

We believe our content is naturally suited for anime adaptations as there is a strong crossover between anime, webcomic, and manga fandoms. Our ability to utilize fan engagement to drive the anime selection process continues to be a differentiator; when a series gains billions of views globally, we know there is appetite for adaptation.

WEBTOON Entertainment had a strong presence at Anime Expo over the July 4 weekend, with fans turning out in droves to see our booth and our creator events. Fans were particularly excited to attend the first-ever U.S. signing appearance by SIU, the legendary creator of "Tower of God," whose 5 billion-view webcomic was adapted into a two-season anime on Crunchyroll.





During Anime Expo, the "Clevatess" anime adaptation premiered to a strong response from both fans of the original webcomic and new viewers alike. The series is now streaming on Crunchyroll, with 6 episodes currently available, and exemplifies our growing momentum in anime production and the strength of our expanding partnerships. Our partners include Kadokawa, one of Japan's biggest publishers, and SEGA, a well-known game publisher. We are proud to be working with top Japanese publishers and studios who are eager to turn our webcomics into anime.



Clevatess
Courtesy of Crunchyroll

Anime adaptations of "Omniscient Reader's Viewpoint," "Gosu," "Eleceed," "Dark Moon," and "Teenage Mercenary" are also in the works. We are rapidly building up our pipeline, from a standing start in 2023, to six adaptations in 2024, to now targeting 20 new projects in 2025. We are pleased to see LINE Manga maintain its number one position in overall sales in the Japanese app market for the first half of 2025, according to Sensor Tower.

We were also pleased to see a live action adaptation of "Marry My Husband" in Japan. This series launched worldwide on Amazon Prime Video at the end of June and became the most-watched drama of all time in Japan among all Amazon original dramas, including English and non-English. Since its release, it has also appeared in the Top 10 rankings on Amazon in 26 countries, including France, Australia, Brazil, Mexico, Egypt, and Saudi Arabia. Capitalizing on the same interest, the Korean adaptation from last year also returned to the Top 10 list in Japan, demonstrating the evergreen appeal of our content. We have also had success with "True Beauty," which was first adapted into a Korean live-action series in 2020 and was followed by a successful anime series on Crunchyroll in August of last year. The latest adaptations of "True Beauty" hit theaters in Japan earlier this year, with "True Beauty: Before" (March) and "True Beauty: After," (May) a live-action two-part feature film. "True Beauty" and "Marry My Husband" continue to enjoy popularity on our platform as new audiences discover our IP through these adaptations.



Marry My Husband



©2025"True Beauty The Movie" Film Partners

True Beauty

Our adaptation success goes beyond Korea and Japan as “Mala Influencia” launched worldwide, exclusively on Netflix on May 9. Upon release, it jumped to the top of the chart in 40 countries including Spain, Mexico, and Germany, and reached the Top 10 for 59 countries including the U.S. and Canada.

We also made positive progress on two adaptation projects with our partner Tubi this quarter, wrapping production on “Sidelined II,” the sequel to our Tubi sensation, “Sidelined: The QB and Me,” and announcing a new project, “Kissing is the Easy Part,” which started production in July.

In Closing

I am pleased with the progress we have made thus far this year. We are taking steps to further our position as the global webcomics leader and we believe these efforts will continue to pay off. We’re committed to the democratization of storytelling by bringing comics and a new form of visual storytelling to the creator economy all around the world.

Finally, I would like to give my thanks to all those that make WEBTOON so special. From our users and creators, to our team members and shareholders, your passion, creativity, and belief in our mission drive everything we do. We are grateful to have all of you with us on this journey of bringing stories to life.





Junkoo Kim
Founder & CEO, WEBTOON Entertainment Inc.

Financial Update

Second Quarter 2025 (vs. Second Quarter 2024)

Total revenue of $348.3 million grew 8.5% driven by growth in all three segments, Paid Content, Advertising, and IP Adaptations.

Revenue on a constant currency basis was $338.7 million, up 5.5%, driven by growth in all three revenue streams.

- **Paid Content revenue** grew 5.4%, or 2.0% on a constant currency basis, driven by growth in Japan, offset by declines in Korea and Rest of World.
- **Advertising revenue** grew 11.9%, or 10.2% on a constant currency basis, driven by growth in Korea and Japan, offset by a decline in Rest of World.
- **IP Adaptations revenue** grew 41.8%, or 42.6% on a constant currency basis, driven by growth in Korea and Rest of World, offset by a decline in Japan.

Net loss was $3.9 million, compared to net loss of $76.6 million in the prior year, due to lower general & administrative expenses associated with the Company's initial public offering which took place in the prior year quarter.

Adjusted EBITDA was $9.7 million, compared to $20.4 million in the prior year. Adjusted EBITDA Margin was 2.8%, compared to 6.3% in the prior year.

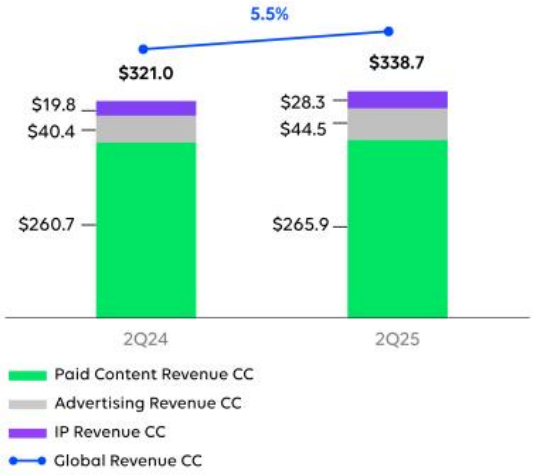
Diluted loss per share was $0.03, compared to diluted loss per share of $0.70 in the prior year.

Adjusted earnings per share was $0.07, compared to Adjusted earnings per share of $0.18 in the prior year.

Cash and cash equivalents of approximately $581.5 million plus another $12.1 million of short-term deposits included in Other current assets.

Consolidated Global Results

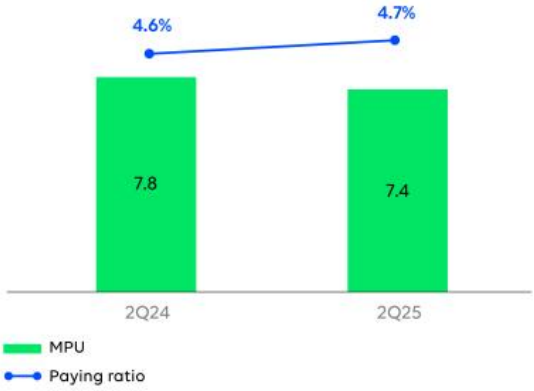
GLOBAL REVENUE CC ($M)



GLOBAL MAU (M)



GLOBAL MPU (M)



Global ARPPU CC ($)



WEBTOON Entertainment's total revenue for the three months ended June 30, 2025 grew 8.5% to $348.3 million, compared to $321.0 million in the second quarter of the prior year, driven by growth in Paid Content, Advertising, and IP Adaptations. On a constant currency basis, this translated to growth of 5.5%.

In Paid Content, second quarter revenue was $274.9 million, growing 5.4%, or 2.0% on a constant currency basis compared to the prior year. This was driven by ongoing strength in Japan, offset by declines in Korea and Rest of World.

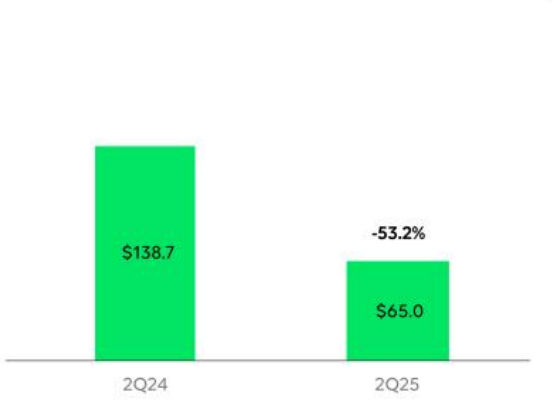
During the second quarter, global MAU was 156.1 million, declining 7.6%, while global MPU decreased 5.1%, to 7.4 million, compared to the second quarter of the prior year. Wattpad continues to be impacted by a government ban in one country, which we expect will lap in Q3 2025. Additionally, another country that represents a smaller number of users enacted a new ban on Wattpad towards the end of this quarter. As we discussed last quarter, Wattpad MAU was also impacted by a security upgrade which affected search engine indexing. It's taking longer than anticipated for the search engine to re-crawl the majority of our pages, and we expect to see lingering effects on MAU in the near term.

We remain focused on driving app users, who are typically more engaged and present better monetization opportunities compared to web users. We saw growth in webcomic app MAU of 4.8% in the second quarter, excluding the impact of webnovel users.

Advertising revenue in the second quarter grew 11.9%, or 10.2% on a constant currency basis, compared to the prior year. This strong performance was driven by constant currency revenue growth in Korea and Japan, offset by a decline on a constant currency basis in Rest of World. In Korea, this growth was the result of increased ad sales from both NAVER as well as other partners. Japan's growth was driven by continued growth in pre-roll ads. In Rest of World, the decline was primarily driven by Wattpad impacts.

IP Adaptations revenue in the second quarter grew 41.8%, or 42.6% on a constant currency basis, compared to the prior year, driven by revenue growth on a constant currency basis in Korea and Rest of World, offset by revenue decline on a constant currency basis in Japan. Korea benefited from revenue recognition of "The Remarried Empress." In Japan, we are in the relatively early days with our IP adaptation business, with a small revenue base that can fluctuate. As we have discussed in the past, revenue recognition for IP adaptations is dependent on achieving certain milestones and can vary from quarter to quarter. We are pleased with our pipeline of upwards of 20 anime projects in Japan.

GLOBAL G&A ($M)



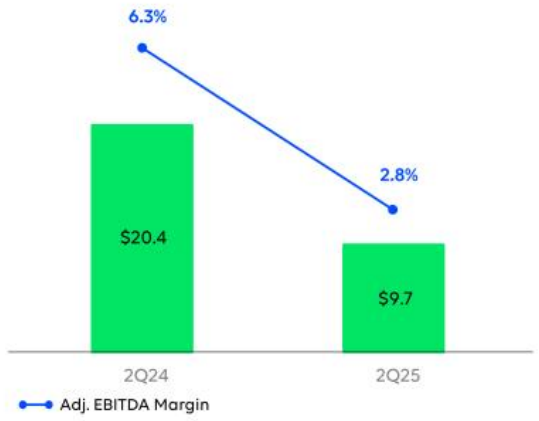
GLOBAL GROSS PROFIT ($M)



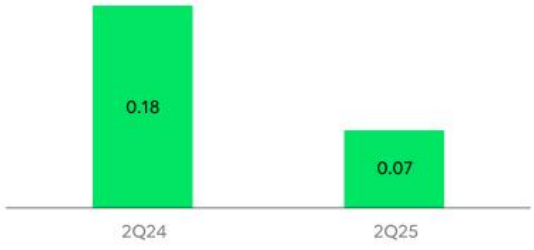
Gross profit grew 5.1% in the second quarter to $87.3 million from $83.1 million in the prior year. Gross profit benefited from higher cross border paid content growth in Japan and better advertising in Japan. This resulted in a gross margin of 25.1%, compared to 25.9% in the prior year.

Total general & administrative expenses in the second quarter were $65.0 million, compared to $138.7 million in the prior year. There were one-time expenses in the prior year quarter as we went public during the quarter. Interest income for the quarter was $4.9 million, compared to $2.0 million in the prior year, and other loss for the quarter was $1.4 million, compared to other income of $2.3 million in the prior year period. Income tax benefit was $0.8 million in the quarter, compared to income tax expense of $1.9 million in the prior year. Depreciation and amortization for the quarter was $8.4 million, compared to $8.9 million in the prior year.

Adj. EBITDA (Non-GAAP) ($M)



ADJUSTED EPS ($)

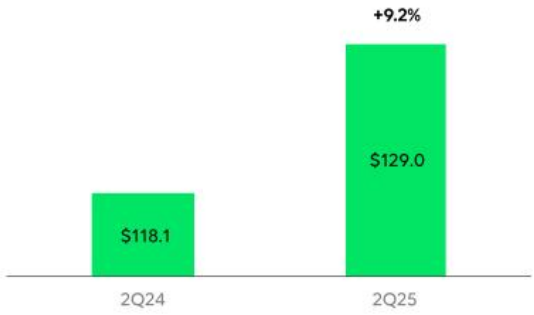


Net loss for the second quarter was $3.9 million, compared to a net loss of $76.6 million last year. This was primarily due to lower general & administrative expenses associated with the Company's initial public offering, which took place in the prior year quarter. Excluding adjustments and other non-recurring costs, the Company posted a second quarter Adjusted EBITDA of $9.7 million, compared to $20.4 million in the prior year. As a result, second quarter diluted loss per share was $0.03, compared to diluted loss per share of $0.70 in the prior year period, and adjusted earnings per share was $0.07, compared to adjusted earnings per share of $0.18 in the prior year period.

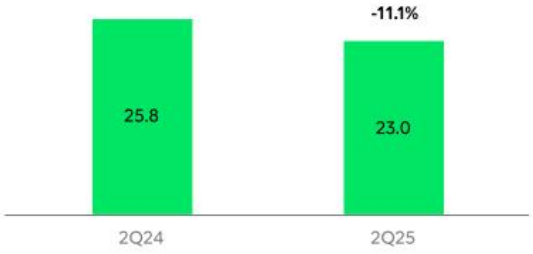
Performance By Location

Korea

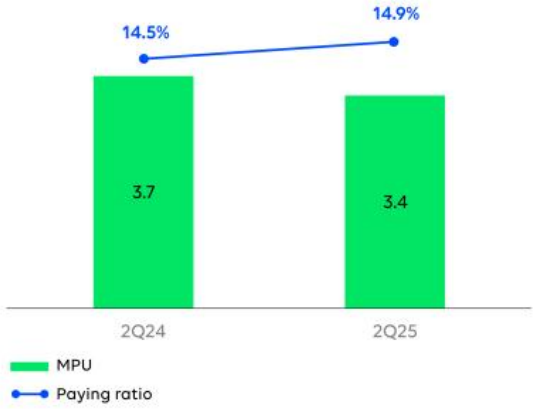
KOREA REVENUE CC ($M)



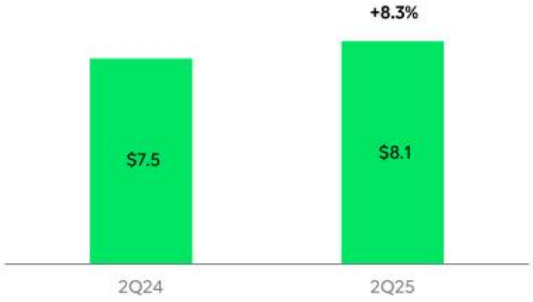
KOREA MAU (M)



KOREA MPU (M)



KOREA ARPPU CC ($)



Korea's total revenue for the three months ended June 30, 2025 grew 6.5%, to $125.8 million, compared to $118.1 million in the prior year. Korea revenue grew 9.2% on a constant currency basis. This revenue growth was driven by double-digit constant currency revenue growth in Advertising and IP Adaptations, offset by single-digit constant currency decline in Paid Content.

In the second quarter, Korea MAU was 23.0 million, decreasing 11.1% year-over-year, while Korea MPU was 3.4 million, declining 8.5% year-over-year. Second quarter Paying Ratio was 14.9%, up 42 basis points year-over-year. Second quarter Korea ARPPU grew 5.0% year-over-year to $7.9 on a reported basis, and increased on a constant currency basis by 8.3%.

Japan

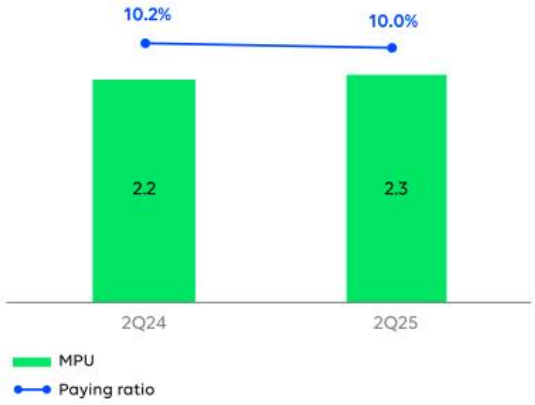
JAPAN REVENUE CC ($M)



JAPAN MAU (M)



JAPAN MPU (M)



JAPAN ARPPU CC ($)



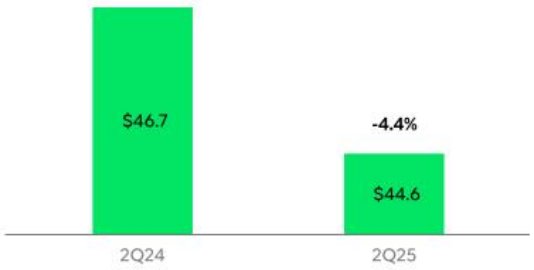
Japan's total revenue for the three months ended June 30, 2025 increased 13.9%, to $177.9 million, compared to $156.2 million in the prior year. Japan revenue grew 5.7% on a constant currency basis. This revenue growth was driven by single-digit constant currency revenue growth in Paid Content and double-digit constant currency revenue growth in Advertising, which was offset by double-digit constant currency revenue decline in IP Adaptations.

In the second quarter, Japan MAU increased 2.8% year-over-year to 22.6 million. Second quarter Japan MPU achieved growth of 1.3% year-over-year to 2.3 million, while the region's Paying Ratio was down 15 basis points year-over-year to 10.0%. LINE Manga was the number one overall app for revenue including mobile games for the second consecutive quarter, and for the first half of 2025, according to Sensor Tower.

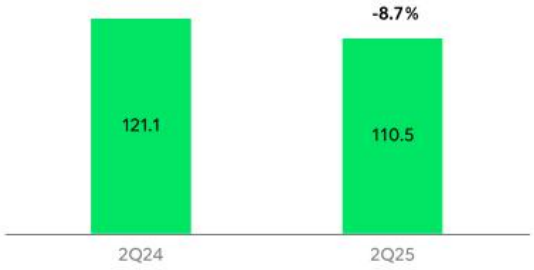
Second quarter Japan ARPPU increased 11.8% year-over-year on a reported basis to $23.7 and grew 3.8% on a constant currency basis.

Rest of World

ROW REVENUE CC ($M)



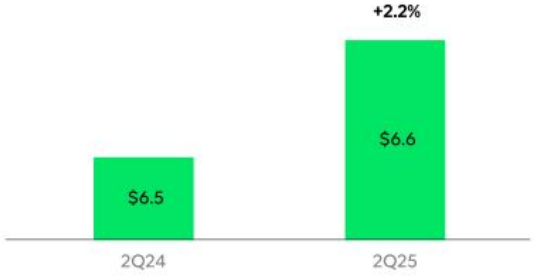
ROW MAU (M)



ROW MPU (M)



ROW ARPPU CC ($)



Rest of World's total revenue for the three months ended June 30, 2025 declined 4.4% to $44.6 million, compared to $46.7 million in the prior year. Rest of World revenue declined 4.4% on a constant currency basis, driven by declines in Paid Content and Advertising, offset by double-digit growth in IP Adaptations.

In the second quarter, Rest of World MAU decreased 8.7% year-over-year to 110.5 million and MPU declined 5.9% year-over-year to 1.7 million. Rest of World Paying Ratio was up 5 basis points year-over-year to 1.5% and Rest of World ARPPU increased 2.2% year-over-year on a reported basis to $6.6 and grew 2.2% on a constant currency basis.

Guidance

Third Quarter 2025 Outlook

For the third quarter of 2025, the Company expects:

- Revenue growth on a constant currency basis in the range of 9.4%-12.2%. This represents revenue in the range of $380-$390 million, based on current FX rates.
- Adjusted EBITDA in the range of $2.0-$7.0 million, representing an Adjusted EBITDA Margin in the range of 0.5%-1.8%.

Conference Call & Webcast Details

As previously disclosed, the Company will host a webcast and conference call on August 12, 2025, at 4:30 p.m. Eastern Time, to discuss the Company's financial results for its second quarter ended June 30, 2025.

A live webcast of the conference call will be available online at https://ir.webtoon.com/.

For those unable to listen to the live webcast, an archived version will be available at the same location for up to one year.

About WEBTOON Entertainment

WEBTOON Entertainment is a leading global entertainment company and home to some of the world's largest storytelling platforms. As the global leader and pioneer of the mobile webcomic format, WEBTOON Entertainment has transformed comics and visual storytelling for fans and creators.

With its CANVAS UGC platform empowering anyone to become a creator, and a growing roster of superstar WEBTOON Originals creators and series, WEBTOON Entertainment's passionate fandoms are the new face of pop culture. WEBTOON Entertainment's adaptations are available on Netflix, Prime Video, Crunchyroll, and other screens around the world, and the company's content partners include Discord, HYBE and DC Comics, among many others.

With approximately 155 million monthly active users, WEBTOON Entertainment's IP & Creator Ecosystem of aligned brands and platforms include WEBTOON, Wattpad — the world's leading webnovel platform — WEBTOON Productions, Studio N, Studio LICO, WEBTOON Unscrolled, LINE Manga, and eBookJapan, among others.

Forward-Looking Statements

This letter contains forward-looking statements within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995, and involves risks, assumptions and uncertainties that could cause actual results to differ materially from those expressed or implied by forward-looking statements. Forward-looking statements cover all matters which are not historical facts and include, without limitation, statements or guidance regarding or relating to our future financial position, results of operations and growth, plans and objectives for future capabilities, ability to attract users in both our core and underpenetrated geographies, ability to grow our Paid Content, Advertising and IP Adaptations businesses, the impact of our product development initiatives, including our use of AI, our financial condition and liquidity, and other statements concerning the success of our business and strategies. Forward-looking statements may be identified by the use of words such as "anticipate," "intend," "plan," "goal," "seek," "believe," "project," "estimate," "expect," "strategy," "future," "likely," "may," "should," "will" and similar references to future periods. Forward-looking statements speak only as of the date on which they are made. They are not assurances of future performance and are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Therefore, you should not place undue reliance on any of these forward-looking statements. Although we believe that the forward-looking statements contained in this letter are based on reasonable assumptions, you should be aware that many factors could cause actual results to differ materially from those in such forward-looking statements, including but not limited to: weakness in the economy, market trends, uncertainty and other conditions in the markets in which we operate, and other geopolitical or macroeconomic factors beyond our control; inability to attract, empower, properly support or incentivize our creators; inability to retain, attract and engage with our users; inability to anticipate, understand and appropriately respond to market trends and changing user preferences; failure to retain or increase our paying users; failure to effectively operate in highly competitive markets; inability to innovate and expand our Advertising business; inability to continue to diversify our monetization strategy or to increase revenues from IP Adaptations; failure to control our content-related costs; exposure to significant legal proceedings and regulatory investigations which may result in significant expenses, fines and reputational damage; failure to provide a safe online environment for children; exposure to claims that we violated third parties' intellectual property rights; failure to obtain, maintain, protect or enforce our proprietary and intellectual property rights; rise of conflicts of interests with NAVER Corporation, our majority stockholder; and other risks and uncertainties set forth under the caption "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2024 filed by the Company with the SEC on March 11, 2025, and in other filings we make with the SEC in the future.

Additionally, forward-looking statements regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Other than in accordance with our legal or regulatory obligations, we undertake no obligations to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

A Note About Key Business Metrics

We define MAU as users based on each device logged in and each offering accessed from a single device and may include the same individual user multiple times if the user is logged in from multiple devices or if the user accesses multiple offerings from one device.

We define MPU as users who have paid to access Paid Content in the applicable calendar month, averaged over each month in the given period. We define Paying Ratio as the ratio of MPU divided by MAU for the respective periods.

We define ARPPU as average Paid Content revenue in a given month divided by the number of MPU for such month, averaged over each month in the given period.

Use of Non-GAAP Financial Measures & Definitions

TThis letter contains certain financial information that is not presented in conformity with U.S. GAAP. These non-GAAP measures include Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Earnings Per Share (Adjusted EPS), revenue on a constant currency basis and revenue growth on a constant currency basis. We believe that these non-GAAP measures provide users of the Company's financial information with additional meaningful information to assist in understanding financial results and assessing the Company's performance from period to period. Management believes these measures are important indicators of operations because they exclude items that may not be indicative of our core operating results and provide a better baseline for analyzing trends in our underlying businesses, and they are consistent with how business performance is planned, reported and assessed internally by management and the board of directors of the Company. Our non-GAAP financial measures should not be considered in isolation, or as substitutes for, financial information prepared in accordance with GAAP. Non-GAAP measures have limitations as they do not reflect all the amounts associated with our results of operations as determined in accordance with GAAP, and should only be used to evaluate our results of operations in conjunction with the corresponding or most directly comparable GAAP measures. We strongly encourage investors and shareholders to review our financial statements and publicly filed report in their entirety and not to rely on any single financial measure.

A reconciliation is provided at the end of this shareholder letter for each historical non-GAAP financial measure to the most directly comparable financial measure stated in accordance with U.S. GAAP. We encourage investors and shareholders to review the related U.S. GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable U.S. GAAP financial measures, and not to rely on any single financial measure to evaluate our business. We do not provide a reconciliation of forward-looking non-GAAP financial measures to the most directly comparable U.S. GAAP financial measures on a forward-looking basis because we are unable to predict with reasonable certainty or without unreasonable effort non-recurring items that may arise in the future.

Adjusted EBITDA: We define Adjusted EBITDA as net income (loss), adjusted to remove the impact of interest income, interest expense, income tax expense and depreciation and amortization with further adjustments to eliminate the effects of loss on equity method investments, effect of applying the valuation method of fair value through profit or loss, impairment of goodwill, non-cash stock-based compensation and certain other non-recurring costs.

Adjusted EBITDA Margin: We define Adjusted EBITDA Margin as Adjusted EBITDA divided by revenue.

Adjusted Earnings Per Share (Adjusted EPS): We define Adjusted Earnings Per Share as Earnings Per Share before interest expense, interest income, income tax expense and depreciation and amortization with further adjustments to eliminate the effects of loss on equity method investments, effect of applying the valuation method of fair value through profit or loss, impairment of goodwill, non-cash stock-based compensation

and certain other nonrecurring costs. We calculate Adjusted Earnings Per Share by making the adjustments described herein from Net Income (Loss) and dividing by basic and diluted weighted average shares of common stock outstanding, respectively, for the applicable period.

Revenue on a Constant Currency Basis: We define revenue on a constant currency basis as revenue adjusted to remove the impact of foreign currency rate fluctuations and the impact of deconsolidated and transferred operations. We calculate revenue on a constant currency basis in a given period by applying the average currency exchange rates in the comparable period of the prior year to the local currency revenue in the current period. We calculate revenue on a constant currency basis in each of our revenue streams — Paid Content, Advertising and IP Adaptations — using the same method as laid out herein.

Revenue Growth on a Constant Currency Basis: We define revenue growth on a constant currency basis as period-over-period growth rates of revenue, adjusted to remove the impact of foreign currency rate fluctuations and the impact of deconsolidated and transferred operations. We calculate revenue growth (as a percentage) on a constant currency basis by determining the increase in current period revenue over prior period revenue, where current period foreign currency revenue is translated using prior period average currency exchange rates.

ARPPU on a Constant Currency Basis: We define ARPPU on a constant currency basis as average Paid Content revenue on a constant currency basis in a given month divided by the number of MPU for such month, averaged over each month in the given period. As discussed above, we calculate revenue on a constant currency basis in a given period by applying the average currency exchange rates in the comparable period of the prior year to the local currency revenue in the current period and excluding deconsolidated and transferred operations.

ARPPU Growth on a Constant Currency Basis: We define ARPPU growth (as a percentage) on a constant currency basis as the increase in current period ARPPU over prior period ARPPU, with current period foreign currency ARPPU translated using prior period average currency exchange rates and excluding deconsolidated and transferred operations.

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Financial and Operational Highlights

Figures in millions, except user metrics and per share data	Quarter Ended June 30, 2025	June 30, 2024	Change
Total Revenue	$348.3	$321.0	8.5%
Revenue on a Constant Currency Basis[1]	$338.7	$321.0	5.5%
Paid Content Revenue	$274.9	$260.7	5.4%
Paid Content Revenue on a Constant Currency Basis[1]	$265.9	$260.7	2.0%
Advertising Revenue	$45.2	$40.4	11.9%
Advertising Revenue on a Constant Currency Basis[1]	$44.5	$40.4	10.2%
IP Adaptations Revenue	$28.1	$19.8	41.8%
IP Adaptations Revenue on a Constant Currency Basis[1]	$28.3	$19.8	42.6%
Monthly Active Users ("MAU")	156.1	168.9	(7.6%)
Korea MAU	23.0	25.8	(11.1%)
Japan MAU	22.6	22.0	2.8%
Rest of World MAU	110.5	121.1	(8.7%)
Monthly Paying Users ("MPU")	7.4	7.8	(5.1%)
Korea MPU	3.4	3.7	(8.5%)
Japan MPU	2.3	2.2	1.3%
Rest of World MPU	1.7	1.8	(5.9%)
Paying Ratio	4.7%	4.6%	0.1%p
Korea Paying Ratio	14.9%	14.5%	42 bps
Japan Paying Ratio	10.0%	10.2%	(15 bps)
Rest of World Paying Ratio	1.5%	1.5%	5 bps
Paid Content Average Revenue Per Paying User ("ARPPU")	$12.4	$11.2	11.1%
Korea ARPPU	$7.9	$7.5	5.0%
Japan ARPPU	$23.7	$21.2	11.8%
Rest of World ARPPU	$6.6	$6.5	2.2%
ARPPU on a Constant Currency Basis[1]	$12.0	$11.2	7.4%
Korea ARPPU on a Constant Currency Basis[1]	$8.1	$7.5	8.3%
Japan ARPPU on a Constant Currency Basis[1]	$22.0	$21.2	3.8%
Rest of World ARPPU on a Constant Currency Basis[1]	$6.6	$6.5	2.2%
Net Income/(Loss)	($3.9)	($76.6)	$72.7
Adjusted EBITDA[1]	$9.7	$20.4	($10.7)
Adjusted EBITDA Margin[1]	2.8%	6.3%	(360 bps)
Diluted EPS	($0.03)	($0.70)	$0.67
Adjusted EPS[1]	$0.07	$0.18	($0.11)

[1] Revenue on a constant currency basis, Paid Content revenue on a constant currency basis, Advertising revenue on a constant currency basis, IP Adaptations revenue on a constant currency basis, ARPPU on a constant currency basis, Korea ARPPU on a constant currency basis, Japan ARPPU on a constant currency basis, Rest of World ARPPU on a constant currency basis, Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted EPS are non-GAAP financial measures. For definitions of these non-GAAP financial measures, see "Non-GAAP Financial Measures & Definitions" of this letter. A reconciliation of non-GAAP financial measures to the most directly comparable U.S. GAAP measure can be found at the end of this letter.

Reconciliation of Non-GAAP Measures

In addition to adjustments for foreign exchange fluctuations, we have also further adjusted revenue to exclude the impacts of deconsolidated and transferred operations to show growth or loss exclusive of these changes ("Revenue on a Constant Currency Basis"). Revenue on a Constant Currency Basis is a Non-GAAP metric that management believes adds value but has its limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP.

The following table presents a reconciliation of revenue to revenue on a constant currency basis, and ARPPU to ARPPU on a constant currency basis, respectively, for each of the periods presented.

	Three Months Ended June 30,			Six Months Ended June 30,		
(in thousands of USD, except percentages)	2025	2024	Change	2025	2024	Change
Total Revenue	$348,271	$320,972	8.5%	$673,978	$647,716	4.1%
Effect of deconsolidated and transferred operations	-	-	N/A	-	(145)	(100.0%)
Effects of foreign currency rate fluctuations	(9,543)	-	N/A	8,833	-	N/A
Revenue on a Constant Currency Basis	$338,728	$320,972	5.5%	$682,811	$647,571	5.4%
Paid Content Revenue	274,913	260,709	5.4%	535,139	527,564	1.4%
Effect of deconsolidated and transferred operations	-	-	N/A	-	(120)	(100.0%)
Effects of foreign currency rate fluctuations	(9,003)	-	N/A	5,020	-	N/A
Paid Content Revenue on a Constant Currency Basis	$265,910	$260,709	2.0%	$540,159	$527,444	2.4%
Advertising Revenue	45,220	40,419	11.9%	85,118	77,415	9.9%
Effects of foreign currency rate fluctuations	(694)	-	N/A	1,516	-	N/A
Advertising Revenue on a Constant Currency Basis	$44,526	$40,419	10.2%	$86,634	$77,415	11.9%
IP Adaptations Revenue	28,138	19,844	41.8%	53,721	42,737	25.7%
Effect of deconsolidated and transferred operations	-	-	N/A	-	(25)	(100.0%)
Effects of foreign currency rate fluctuations	153	-	N/A	2,297	-	N/A
IP Adaptations Revenue on a Constant Currency Basis	$28,291	$19,844	42.6%	$56,017	$42,712	31.2%
Paid Content Average Revenue Per Paying User ("ARPPU")[1]						
Korea Paid Content Revenue	$80,645	$83,939	(3.9%)	$157,671	$174,881	(9.8%)
Korea ARPPU	$7.9	$7.5	5.0%	$7.7	$7.7	(0.3%)
Effects of foreign currency rate fluctuations	0.2	-	N/A	0.6	-	N/A
Korea ARPPU on a Constant Currency Basis	$8.1	$7.5	8.3%	$8.3	$7.7	7.5%

Japan Paid Content Revenue	$161,076	$142,257	13.2%	$311,477	$284,465	9.5%
Japan ARPPU	$23.7	$21.2	11.8%	$23.0	$21.7	6.1%
Effects of foreign currency rate fluctuations	(1.7)	-	N/A	(0.5)	-	N/A
Japan ARPPU on a Constant Currency Basis	$22.0	$21.2	3.8%	$22.5	$21.7	3.7%
Rest of World Paid Content Revenue	$33,193	$34,514	(3.8%)	$65,991	$68,218	(3.3%)
Rest of World ARPPU	$6.6	$6.5	2.2%	$6.5	$6.4	2.8%
Rest of World ARPPU on a Constant Currency Basis	$6.6	$6.5	2.2%	$6.5	$6.4	2.8%

[1] ARPPU is calculated by taking Paid Content revenue and dividing it by the number of monthly paid users ("MPU") for such month, averaged over each month in the given period. ARPPU on a constant currency basis is calculated by dividing Paid Content revenue on a constant currency basis by the number of MPU for such month, averaged over each month in the given period. Where each metric is country specific, the numerator is Paid Content revenue on a constant currency basis by country and the denominator is users by country.

The following table presents a reconciliation of net loss to EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin for each of the periods presented.

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands of USD, except percentages)	2025	2024	2025	2024
Net income (loss)	($3,883)	($76,568)	($25,852)	($70,335)
Plus (minus):				
Interest income	(4,910)	(2,043)	(10,023)	(3,278)
Interest expense	2	11	4	44
Income tax expense (benefit)	(832)	1,907	1,715	8,575
Depreciation and amortization	8,407	8,915	16,844	17,950
EBITDA	($1,216)	($67,778)	($17,312)	($47,044)
Stock-based compensation expense[1]	8,463	53,817	25,498	56,043
Restructuring and IPO-related costs[2]	1,476	36,204	3,118	37,720
Loss (gain) on fair value instruments, net[3]	1,446	(1,772)	2,376	(5,143)
Loss (income) on equity method investments, net[4]	(507)	(120)	62	932
Adjusted EBITDA[5]	$9,662	$20,351	$13,742	$42,508
Net income (loss) margin	(1.1%)	(23.9%)	(3.8%)	(10.9%)
Adjusted EBITDA Margin	2.8%	6.3%	2.0%	6.6%
Weighted average shares outstanding				
Basic	130,358,706	110,102,868	129,980,922	109,804,009
Diluted	130,358,706	110,102,868	129,980,922	109,804,009
Earnings (loss) per share				
Basic	(0.03)	(0.70)	($0.21)	($0.64)
Diluted	(0.03)	(0.70)	($0.21)	($0.64)
Adjusted EPS[6]				
Basic	0.07	0.18	$0.11	$0.39
Diluted	0.07	0.18	$0.11	$0.39

[1] Represents stock-based compensation expense related to WEBTOON's equity incentive plan and stock-based compensation plans of NAVER and Munpia, including amounts which are cash settled.

[2] Represents non-recurring expenses that we do not consider representative of the operating performance of the business. For the three and six months ended June 30, 2025, these amounts include legal fees and advisory fees. For the three and six months ended June 30, 2024, these amounts included a $30.0 million one-time CEO bonus and legal and advisory fees related to the IPO.

[3] Represents unrealized net loss (gain) of financial assets measured at FVPL, which include the Company's equity investments.

[4] Represents our proportionate share of recognized losses associated with our investments accounted for using the equity method.

[5] Totals may not foot due to rounding.

[6] The numerator for Adjusted EPS is calculated by adjusting Net Income (Loss) by the same items in the Net Income (Loss) to Adjusted EBITDA reconciliation. The denominator for computing Adjusted EPS is the same as that used for Basic and Diluted EPS.


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